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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
(ONLINE)
SEMESTER I
SESSION 2020/2021**

COURSE NAME : TECHNOLOGY TRANSFER
COURSE CODE : BPB 42703
PROGRAMME CODE : BPA
EXAMINATION DATE : JANUARY / FEBRUARY 2021
DURATION : 3 HOURS
INSTRUCTION : ANSWER ALL QUESTIONS.

THIS QUESTION PAPER CONSISTS OF THREE (3) PAGES

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- Q1** (a) Sketch the technology transfer pyramid. (6 marks)
- (b) Interpret technology transfer pyramid in relation to technological capability improvement based on answer in **Q1(a)**. (9 marks)
- (c) Point out the level of sophistication of technoware, humanware, inforware and orgaware and its relation to technology transfer success. (10 marks)
- Q2** (a) Define appropriate technology. (2 marks)
- (b) Discuss **THREE (3)** important criteria of appropriate technology with relevant examples. (9 marks)
- (c) Differentiate **FOUR (4)** characteristics of machine-intensive technology and labour-intensive technology with relevant examples. (14 marks)
- Q3** (a) Define technology licensing with relevant example. (4 marks)
- (b) Describe **THREE (3)** responsibilities borne by a company deciding on licensing out technology. (6 marks)
- (c) Categorize **FIVE (5)** shared objectives of technology licensing from the perspectives of licensor and licensee. (15 marks)

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Q4 KUALA LUMPUR: Zero per cent tax rate awaits foreign companies in the manufacturing sector wishing to relocate their businesses to Malaysia, Prime Minister Tan Sri Muhyiddin Yassin said. He said the government decided on providing the tax incentive to foreign companies so that it could help boost the country's economy as well as increase job opportunities for Malaysians. "The government has decided to provide firstly, a 10-year zero per cent tax rate on new investments in the manufacturing sector with fixed-income investments of between RM300 million and RM500 million. Secondly, a zero per cent tax rate for 15 years for new investments in the manufacturing sector with fixed assets exceeding RM500 million and above," he said when announcing the Economic Recovery Plan (Penjana) today. According to Muhyiddin, the incentive will be provided if the company moves its location to Malaysia and begin its operation within one year from the date of approval, adding that the investment amount involved must be made within three years. "For existing Malaysian companies (that wish to) transfer their overseas manufacturing facilities to Malaysia, they are entitled to a 100 per cent investment tax incentive for a period of five years. "Both incentives (for foreign and local companies) are valid for applications made between July 1, 2020, and Dec 31, 2021." Further, Muhyiddin said the government would also provide an additional RM50 million to the Malaysian Investment Development Authority (MIDA) to carry out promotional and marketing activities. In order to help companies upgrade their technology, penetrate the global market through outsourcing and increase their export value, Muhyiddin said the government had agreed to grant the Local Investment Strategic Fund for a second round. This will only apply for projects and companies that have previously been eligible for the fund. "The Project Acceleration and Coordination Unit (PACU) will be established to expedite the implementation and coordination of approved investment projects. Additionally, the approval of the manufacturing licence will also be accelerated within two business days for the non-sensitive industries," he said.

(Source: New Straits Times (5 June 2020). Zero-rated tax incentives for new investments in manufacturing sector, fixed assets. Retrieved from <https://www.nst.com.my>)

- (a) Define tax incentive with **TWO (2)** examples. (4 marks)
- (b) Investigate **THREE (3)** motives why Malaysian Government is introducing such tax incentive with relevant examples. (12 marks)
- (c) Discuss **THREE (3)** types of tax payments involved in technology transfer for Malaysia as the importing country with relevant examples. (9 marks)

- END OF QUESTIONS -

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